

planting: forage for livestock and grain for harvest.

While crop insurance compensates for grain losses, it does not compensate for the forage or grazing values of those crops. To alleviate the extreme hardships the drought caused, NAP provisions are being extended to cover small grain forage and grazing losses, even though the final intended use is grain. This action will provide an estimated \$70 million in assistance, primarily to producers in Texas and Oklahoma, many of whom are facing the worst drought in 100 years.

Secretary Glickman made this recommendation to me after visiting the Southern Plains region last month, and having extensive discus-

sions with Congressmen de la Garza, Stenholm, Richardson, Skeen, and Senator Bingaman. Their hard work helped us to recognize that if we do not make full use of the tools we have, a lot of farmers may not be in business by the time we finally see adequate rain.

USDA's NAP program provides crop loss protection for growers of many crops for which Federal crop insurance is not available. Funding for NAP payments is assured, and State offices of USDA's Farm Service Agency have flexibility to define eligible areas. To be eligible, producers must have a previously established record at their local Farm Service Agency office of both grazing and cropping their small grain acreage.

Letter to Congressional Leaders Reporting on the National Emergency With Respect to the Federal Republic of Yugoslavia (Serbia and Montenegro)

May 30, 1996

Dear Mr. Speaker: (Dear Mr. President:)

On May 30, 1992, by Executive Order 12808, President Bush declared a national emergency to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States constituted by the actions and policies of the Governments of Serbia and Montenegro, blocking all property and interests in property of those Governments. President Bush took additional measures to prohibit trade and other transactions with the Federal Republic of Yugoslavia (Serbia and Montenegro) by Executive Orders 12810 and 12831, issued on June 5, 1992, and January 15, 1993, respectively.

On April 25, 1993, I issued Executive Order 12846, blocking the property and interests in property of all commercial, industrial, or public utility undertakings or entities organized or located in the Federal Republic of Yugoslavia (Serbia and Montenegro) (the "FRY (S&M)"), and prohibiting trade-related transactions by United States persons involving those areas of the Republic of Bosnia and Herzegovina controlled by the Bosnian Serb forces and the United Nations Protected Areas in the Republic of Croatia. On October 25, 1994, because of the actions and policies of the Bosnian Serbs,

I expanded the scope of the national emergency by issuance of Executive Order 12934 to block the property of the Bosnian Serb forces and the authorities in the territory that they control within the Republic of Bosnia and Herzegovina, as well as the property of any entity organized or located in, or controlled by any person in, or resident in, those areas.

On December 27, 1995, I issued Presidential Determination No. 96-7, directing the Secretary of the Treasury, *inter alia*, to suspend the application of sanctions imposed on the FRY (S&M) pursuant to the above-referenced Executive orders and to continue to block property previously blocked until provision is made to address claims or encumbrances, including the claims of the other successor states of the former Yugoslavia. This sanctions relief, in conformity with United Nations Security Council Resolution ("UNSCR") 1022 of November 22, 1995, was an essential factor motivating Serbia and Montenegro's acceptance of the General Framework Agreement for Peace in Bosnia and Herzegovina initialed by the parties in Dayton, Ohio, on November 21, 1995 (the "Peace Agreement"), and signed in Paris on December 14, 1995. The sanctions imposed on the FRY (S&M) and on the United Nations Protected Areas in

the Republic of Croatia were accordingly suspended prospectively, effective January 16, 1996. Sanctions imposed on the Bosnian Serb forces and authorities and on the territory that they control within the Republic of Bosnia and Herzegovina were subsequently suspended prospectively, effective May 13, 1996, in conformity with UNSCR 1022.

The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c) and covers the period from November 30, 1995, to May 29, 1996. It discusses Administration actions and expenses directly related to the exercise of powers and authorities conferred by the declaration of a national emergency in Executive Order 12808 of May 30, 1992 (57 *FR* 23299) and Executive Order 12934 (59 *FR* 54117) and to expanded sanctions against the FRY (S&M) and the Bosnian Serbs contained in Executive Order 12810 of June 5, 1992 (57 *FR* 24347, June 9, 1992), Executive Order 12831 of January 15, 1993 (58 *FR* 5253, January 21, 1993), Executive Order 12846 of April 25, 1993 (58 *FR* 25771, April 27, 1993), and Executive Order 12934 of October 25, 1994 (59 *FR* 54117, October 27, 1994).

1. The declaration of the national emergency on May 30, 1992, was made pursuant to the authority vested in the President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3 of the United States Code. The emergency declaration was reported to the Congress pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)) and the expansion of that National Emergency under the same authorities was reported to the Congress on October 25, 1994. The additional sanctions set forth in related Executive orders were imposed pursuant to the authority vested in the President by the Constitution and laws of the United States, including the statutes cited above, section 1114 of the Federal Aviation Act (49 U.S.C. App. 1514), and section 5 of the United Nations Participation Act (22 U.S.C. 287c).

2. Since the declaration of the national emergency with respect to the FRY (S&M) on May 30, 1992, the Office of Foreign Assets Control ("FAC") acting under authority delegated by the Secretary of the Treasury has implemented the sanctions imposed under the foregoing statutes. Effective January 16, 1996, FAC amended the

Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, 31 C.F.R. Part 585 (the "Regulations"), to implement in the United States provisions of the Peace Agreement and UNSCR 1022 (61 *FR* 1282, January 19, 1996). The amended Regulations authorize prospectively all transactions with respect to the FRY (S&M) otherwise prohibited. Property and interests in property of the FRY (S&M) previously blocked within the jurisdiction of the United States remain blocked, in conformity with the Peace Agreement and UNSCR 1022, until provision is made to address claims or encumbrances, including the claims of the other successor states of the former Yugoslavia. A copy of the amended Regulations is attached.

3. Section 2 of UNSCR 1022 of November 22, 1995, provides that sanctions remain in force against the Bosnian Serbs until the day after the High Representative described in the Peace Agreement or the Commander of the International Force deployed in accordance with that Agreement has informed the United Nations Security Council via the Secretary General that all Bosnian Serb forces had withdrawn behind the zones of separation established by the Peace Agreement. Finally, UNSCR 1022 provides for the reimposition of sanctions against the Bosnian Serbs and the FRY (S&M) if either the Bosnian Serbs or the FRY (S&M) fail significantly to meet their obligations under the Peace Agreement.

In light of the Resolution, and the transmittal of the Commander's report to the Security Council by the U.N. Secretary General on February 26, 1996, FAC amended the Regulations effective May 13, 1996, to authorize prospectively those transactions previously prohibited with respect to the Bosnian Serb forces and authorities; entities organized or located in those areas of the Republic of Bosnia and Herzegovina under their control; entities owned or controlled directly or indirectly by any person in, or resident in, those areas; and any person acting for or on behalf of any of the foregoing. United States persons are also authorized to engage in transactions involving the areas of the Republic of Bosnia and Herzegovina under the control of the Bosnian Serb forces, and services may be exported either from the United States or by United States persons to those areas. Prop-

erty and interests in property previously blocked because of an interest of any of the above persons remains blocked (61 FR 24696, May 16, 1996). A copy of the amended Regulations is attached.

4. Over the past 6 months, the Departments of State and the Treasury have worked closely with European Union (the "EU") member states and other U.N. member nations to implement the provisions of UNSCR 1022. In the United States, retention of blocking authority pursuant to the extension of the national emergency provides a framework for administration of an orderly claims settlement. This accords with past policy and practice with respect to the suspension of sanctions regimes.

5. Subsequent to the suspension of sanctions imposed on the FRY (S&M), effective January 16, 1996, FAC has issued 20 specific licenses regarding transactions pertaining to the FRY (S&M) or assets it owns or controls. As of May 14, 1996, specific licenses have been issued (1) to authorize the unblocking of certain funds and other financial assets previously blocked; (2) for the payment of crews' wages, vessel maintenance, and emergency supplies for FRY (S&M)-controlled ships blocked in the United States; and (3) to authorize performance of certain transactions under presanctions contracts.

During the past 6 months, FAC has continued to oversee the maintenance of blocked accounts and records with respect to: (1) liquidated tangible assets and personalty of the 15 blocked U.S. subsidiaries of entities organized in the FRY (S&M); (2) the blocked personalty, files, and records of the 2 Serbian banking institutions in New York previously placed in secure storage; (3) remaining tangible property, including real estate; and (4) the 5 Yugoslav-owned vessels still blocked in the United States.

6. Despite the suspension of sanctions imposed on the FRY (S&M), FAC has continued to work closely with the U.S. Customs Service and other cooperating agencies to investigate alleged violations that occurred while sanctions were in force. On January 31, 1996, a Federal grand jury in San Jose, California, handed down a three-count indictment against the owner of a Santa Clara, California-based electronics firm. The indictment charges that the defendant made three separate shipments of computer equipment to Macedonia with knowledge that the equipment would be transshipped to Serbia.

Since the last report, FAC has collected eight civil penalties totaling nearly \$33,000. Of these, three were paid by U.S. financial institutions for violative funds transfers involving the Government of the FRY (S&M), persons in the FRY (S&M), or entities located or organized in or controlled from the FRY (S&M). One U.S. company paid a penalty related to the unlicensed sale of equipment to a FRY (S&M) entity, another for the unauthorized import of goods originating in the FRY (S&M). A third company settled a penalty for the performance of a contract in the FRY (S&M). A law firm and a company remitted penalties relating to unlicensed payments to the Government of the FRY (S&M) for intellectual property registrations.

7. The expenses incurred by the Federal Government in the 6-month period from November 30, 1995, through May 29, 1996, that are directly attributable to the declaration of a national emergency with respect to the FRY (S&M) and the Bosnian Serb forces and authorities are estimated at about \$1.3 million, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC and its Chief Counsel's Office, and the U.S. Customs Service), the Department of State, the National Security Council, the U.S. Coast Guard, and the Department of Commerce.

8. In the last year, substantial progress has been achieved to bring about a settlement of the conflict in the former Yugoslavia acceptable to the parties. Before agreeing to the sanctions suspension, the United States insisted on a credible reimposition mechanism to ensure the full implementation of the Peace Agreement. Thus, UNSCR 1022 provides a mechanism to reimpose the sanctions if the Federal Republic of Yugoslavia or the Bosnian Serb authorities fail significantly to meet their obligations under the Peace Agreement. It also provides that sanctions will not be terminated until after the first free and fair elections occur in the Republic of Bosnia and Herzegovina, as provided for in the Peace Agreement, and provided that the Bosnian Serb forces have continued to respect the zones of separation as provided in the Peace Agreement. The Resolution also contemplates the continued blocking of assets potentially subject to conflicting claims and encumbrances until provision is made to address them, including

claims of the other successor states of the former Yugoslavia.

The resolution of the crisis and conflict in the former Yugoslavia that has resulted from the actions and policies of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), and of the Bosnian Serb forces and the authorities in the territory that they control, will not be complete until such time as the Peace Agreement is implemented fully and the terms of UNSCR 1022 have been met. Therefore, I have continued the national emergency declared on May 30, 1992, as expanded in scope on October 25, 1994, and will continue to enforce the measures adopted pursuant thereto.

I shall continue to exercise the powers at my disposal with respect to the measures against the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), and the Bosnian Serb forces, civil authorities, and entities, as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.

Remarks to the Louisiana State Legislature in Baton Rouge May 30, 1996

Thank you very much. I always enjoy coming to Louisiana and coming to this capitol building. I keep thinking I will somehow capture the secret of how you do it here. I thank you for that warm welcome. Governor Foster, thank you for your introduction. Mrs. Foster, Mr. Speaker, Senator Ewing, to your statewide elected officials, Senator Breaux and Congressman Jefferson, Congressman Fields, members of the Supreme Court, members of the State House and Senate, and all the guests who are here: I am very honored to be invited to speak to the Louisiana Legislature.

I thank the Governor for coming up here with me. It's nice to see Republicans and Democrats standing together on the same little piece of ground here. *[Laughter]* I hope somebody got a picture of this. We're going to show it in Washington, DC.

Somebody asked me if this was a good idea. I said, "I don't know if it's a good idea for him, but anybody that comes to work in a camouflage hunting outfit is my kind of guy." I like it. *[Laughter]*

I do want you to know that I have not been in Baton Rouge all day; I started the morning in New Orleans. And we all went to lunch there, and I paid some good sales tax in Louisiana—*[laughter]*—had a wonderful meal, ate too much

food. And what I ate was Louisiana crawfish, not Chinese crawfish.

I'm happy to be here in a State I've spent a lot of time in, my neighboring State, a State that has shared so many of the challenges that we faced in the dozen years I was Governor of Arkansas and in the last 20 years that I've been in public life. Indeed, you could argue that we've made a conscious effort, ever since the end of World War II, in our States and in other States throughout the South to catch up to the rest of America in providing opportunity in terms of jobs and education and working together to get beyond the divisions of race, to go to a time when we could ask everybody to be more responsible and everybody to work together more and put their divisions aside.

And it's very interesting that now I think you can make a serious case that the whole country has to be on the mission that those of us in Southern States have been on for the last 50 years, because we know we've moved from the cold war to the global village; we know we've moved from an information age to one dominated by—I mean from an industrial age to one in which industry, agriculture, and all forms of human endeavor are dominated by information and technology. We know that the world is changing economically as much as it has in 100 years. And Bill Gates, the founder of Microsoft,